Peterson Wells

- These wells have already been drilled and are subject to a 50% risk penalty.
- Select <u>Lease Sale and Lease Sale Information</u> link for more information.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074 TELEFAX NUMBER (406) 444-2684 PO BOX 201601 HELENA, MONTANA 59620-1601

September 17, 2015

Attn: Geoff Poole, Landman–Bakken WPX Energy

P.O. Box 3102

Tulsa, OK 74101-3102

Re:

Well Proposals

Peterson 6-5-4HQ, Peterson 6-5-4HD, Peterson 6-5-4HZL, Peterson 6-5-4HC

Township 150 North, Range 91 West

Sections 4, 5, and 6

McLean County, North Dakota

Dear Mr. Pool:

As we discussed, the Department of Natural Resources and Conservation has an MOU with the Department of Fish, Wildlife and Parks (DFWP) which authorizes our department to issue and manage oil and gas leases on their behalf where state-owned mineral rights belong to them. In this instance, the DFWP was deeded partial undivided mineral interests in lands located in North Dakota from the Estate of William Kamps. The DFWP's interest in this spacing unit is unleased. Once acquired by the state agency, these lands became "state lands," and therefore subject to statutes that provide for leases to be issued through oral auction.

It is with that background that I have enclosed the election letters for the above-referenced proposed wells. As the mineral owner, we are eager to see these wells drilled, but have elected not to participate in the costs of the drilling and completion of these wells. Our next quarterly lease auction is December 1, 2015 and we have included DFWP's ownership interest on that sale. You should have received information relating to the December 1st sale, including a preliminary tract list and a website link to additional information.

Please keep us apprised of your progress in drilling and completing these wells. We understand that any production revenues attributable to the DFWP's interest will be subject to non-consent cost recovery provisions for unleased minerals, as well as the statutory royalty rate while the interest is unleased. DFWP's ownership is also subject to withholding for production and oil extraction taxes. Royalty revenues will be receipted and processed through our agency, and then distributed to DFWP's account for these funds. Please have WPX revenue disbursement staff contact me when we get to that point.

In the meantime, please contact me if you have any questions regarding the DFWP ownership interest or the lease sale. I can be reached at 406-444-3843.

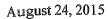
Sincerely,

Monte G. Mason

Minerals Management Bureau Chief

Morte & Mason

Enc.



Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks 490 North Meridian Road Kalispell, MN 59901

Ře:

Peterson 6-5-4HD Well Proposal Sections 4, 5 and 6, T150N-R91W McLean County, North Dakota

Benjamin-J. Larson: FWP



WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HD well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HD well has been planned as a horizontal Bakken Pool test with an approximate surface location at 439° FSL and 383° FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 550° FSL, and 250° FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HD well is \$3,336,604 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,493,645. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HD well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$58,867

Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5 and 6, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HD well currently has an anticipated spud date of October 15, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HD well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HD well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HQ, and Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC

Hoday M. L

Geoffrey M. Pool Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

Elect to participate in the drilling & completion of the Peterson 6-5-4HD Well

Elect not to participate in the drilling & completion of the Peterson 6-5-4HD Well

Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND:

\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

Ву:

Monte & Moson

Title:

Minerals Management Bureau Chief, MT-DNRC

Date:

9/17/2015

Email:

mmason @ mt.gov

Phone:

406-444-3843

♦ O (Paper Size 8 1/2"x11") (1 INCH = 2500 FEET) 625

Bottom Hale Location Surface Hole Location

Calculated Corner Found Monument

₽. .

SHL (FETERSON 6—5—4HD)— GRADDE ELEV, AT WELL. PAD=1909.7' EXISTING GROUND ELEV. AT WELL SITE=1910.5' 439 FSL—383' FEL that I and or personnel under my direct supervision made a survey on the 14th day of August, 2014 for the Surface Hole Location and Elevation of WPX ENERGY WILLSTON, LLC, Well Peterson 6-5-4HD being located within the SE 1/4, of Section of the SE 1/4, of Section 1, Township 150 North, Range 92 West, Mountrall County, North Dokota and the Bottom Hole Location I, Kurt M. Kisch, Professional Land Surveyor, North Dakota RLS# 4597 hereby certify SE 1/4 of the SE 1/4 o Section 4, Township 150 North, Range 91 West, seing located within the AcLean County, North Dakota, all being of the

25-75-W 2641.26 25-2501161

6-5-4HD) ·

ASSO FSL-250' F

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6-5-4110

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SW 11

2642,79 No1°25'02*E

SF

SE 1/4

2643.61 N88°38'11"W

2643.66 N88°35'41"W

2643.28 N88°59°19°W 500' SETBACK

2423.63 N88*41*24"W

282, LEF

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201°23'29"W 2613.53

NW 1/4

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NW 17/4

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West Ine of the Southwest Quarter

602W

SETBACK 🔊 NO1º27'51"E 2655.39

201,21,23,

69.243S W

201,25,40

500, SEIBYCK ◎

2644.24

S88°32°59"E

S88°33'00"E 2644.24

S88'31'24"E 2644.27

2644.26

S88°32'00"E

2644.27

S88°31'17"E

S88°30°25"E 2415.36

SETBACK

. 200,

91.8282

Southwest Quarter of Section 6, Township 150N, Range 91W, having a bearing of N0125'02"E using GPS observations, occupying a CMI control point and having the location and elevation derived from an OPUS Solution. 1. All bearings shown hereon are based on the west line of the

<u>.00</u> Vertical Datum used NAVD 88. 9,12

bearing of N89°28'20"E from the East 1/4 Corner of Section 12, Township 150N, Range 92W. 3. The OPUS Solution control point used is located 3488.44 feet on a

A LS. -4531/A

SURVEYOR LS. -4597

> 4. Distances shown hereon are ground distances using a combined scale factor of 1.000143341.

Kurt M. Kisch

Registered Land Surveyor Registration No. 4597 State of North Dakota

Decimal Degrees Geographic NAD 83 Deg, Mr. Dec'mal Seconds Latitude PETERSON 6-5-4HD (SHL) PETERSON 6-5-4HD (BHL)

ENVIRONMENTAL • ENGINEERING • SURVEYING 600 South 2nd Street, Suite 105 Bismarck, ND 58504. www.carlsonmccain.com

JOB NO: 5252 DATE: 11/13/14 REVISIONS: 11/17/14, 11/19/14, 12/16/14 THE SE 1/4 OF THE SE 1/4 OF SECTION 1, TOWNSHIP 150N, RANGE 92W, MOUNTRAIL COUNTY, NORTH DAKOTA

PAD LOCATION

~ WPX ENERGY WILLISTON, LLC~ PETERSON 6-5-4HD

WELL LOCATION PLAT

SHEET 7 of 19

		NERGY WILLISTON LLC AI TERSON 6-5-4HD			Weli#: 62	425741		F	ield: VAN H	OOK	
ocatio	n: SES	E 1-150N-92W			County: N				tate: ND	T1 .	
		EC 4 T150N R91W 550 FSL 2	60 FEL						FSL 383 F	EL	
	ion: BAI				Total Dep				esc:		
ttectiv	e Date:	08/20/2015 1117676-2015 WILLISTON OF	ERATED		Aries ID:	e. Deve	юривии	P	ad Name: F	ETERSON P	AD
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AFE	Or. VVEA	& complete a Middle Bakken v	vell with a T	MD of 2	5.513 feet	and late	ral length				
		Tangible	40 T. B. 14								
	r Goods										
DRL.		Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRIL		TOTAL
3750		TDC-CONDUCTOR/DRIVE	80					125	1000	이	10000
		PIPE	140070	7"	204	P-110	LTC	17.6	18256	4 0	18256
3810		TDC-INTERMEDIATE	10373	1/"	32#	P-110	-10	17.0	10200	7	10200
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3760		IDC-RIG DAYWORK (DRILLIN							17400	0	51740
3862		IDC-RAT/MOUSE HOLE	1011101						8000	0	800
8868		IDC- RENTAL EQUIP DOWN	HOLE (DRIL	LING)					39000	0	3900
3869		IDC-RENTAL EQUIPMENT SI	JRFACE (D	RILLING	3)			2	73000	0	27300
Cemer	ntina									15 14 5	
3400		IDC-SURFACE CEMENTING	MATERIAL	S					7393	0	739
3781	i	IDC-CENTRALIZERS & FLOA	T EQUIP						5000	0	500
3811		IDC=INTERMEDIATE CEMEN	ITING - MA	TERIAL					15733	0	1573
3891		IDC-SURFACE CEMENTING	SERVICE						5000	0	500
3949		IDC-INTERMEDIATE CEMEN		RVICES					7500	0	750
		ICC-CENTRALIZERS & FLOA							0	13451	1345
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orma	tion Tre										
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8734	+	IDC-BAA & TOBOLAR INSPL	21.011						51000	0	510
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8743		IDC-WELLHEAD SERVICES							12000	0	120
8757	1	IDC-DIRECTIONAL EQUIPMI						3	21464	0	3214
B774	1	IDC-FACILITIES LABOR (DR							40000	0	400
8783		IDC-FLUID & CUTTING DISP	OSAL						00000	0	1000
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3885		IDC-SLIDS CNTL EQUIP & IN							88400	. 0	884
8911	1	IDC-WATER HAULING (DRIL							40000	0	400
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		ICC-HOT OIL UNIT/TANK HE							0	45000	450
		ICC-BHA & TUBULAR INSPE			., .				0	0	0055
		ICC-COIL TUBING & SNUBB							0	285000	2850
		ICC-CASED HOLE LOGGING	SERVICE	১	· · · · · · · ·				0	14285 68875	142 688
		ICC-CASING CREWS	#0F0		<u> </u>			_	0	75600	756
		ICC-COMPLETION RIG SER							0	269600	2696
		ICC-PERFORATING SERVIC							0	10000	100
		ICC-RIG MOBIL/DEMOBILZA		TONN					0	45000	450
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8252		C-CULTURAL/PALEO - SERVI	CES	70000	O	70000
8631		C-TRIBAL WELL FEES		100000	0	100000
8730	100	C-ACCESS/LOC CONSTRUCT	ION SERVICE	80000	0	80000
8772	100	C-ENVIRONMENTAL MITIGAT	ION	30000	0	30000
8791	100	C-PERMITS, SURVEYS, MAPP	ING	40000	ol	40000
8875	IDO	C-ACCESS LOCATION CONS	RUCTION MATERIALS	5000	0	5000
8877		C-ROW USE AGREEMENT	1,0011011111111111111111111111111111111	25000	0	25000
8899		C-DRILLING TITLE OPINION-A	BSTRACT	30000	0	30000
0099	9240 100	C-RECLAMATION/RESEEDING	- MATERIALS	1 0	1667	1667
	9260 100	C-RECLAMATION/RESEEDING	S - SERVICES	0	10000	1000
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Contro	et Supervis	sion/Contract Professional Serv	ices etc.			
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8790		C-CONTINGENCY		350000	0	350000
8917		C-WELLSITE SUPERVISION (ORILLING)	122850	0	122850
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August 24, 2015



WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks 490 North Meridian Road Kalispell, MN 59901

Re:

Peterson 6-5-4HQ Well Proposal Sections 4, 5 and 6, T150N-R91W McLean County, North Dakota

Benjamin-J. Larson: アルヤ

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HQ well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HQ well has been planned as a horizontal Three Forks Pool test with an approximate surface location at 489' FSL and 383' FWL in Section 1, T150N-R92W. After entering the Three Forks Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 1,243' FSL, and 250' FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HQ well is \$3,436,953 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,593,994. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HQ well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$59,489

Other Other State (Care of Care Care of the Care of t Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5 and 6, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HQ well currently has an anticipated spud date of October 17, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HQ well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HQ well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HD, and Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC

Gorffy M. Jal

Geoffrey M. Pool Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

Elect to participate in the drilling & completion of the Peterson 6-5-4HQ Well

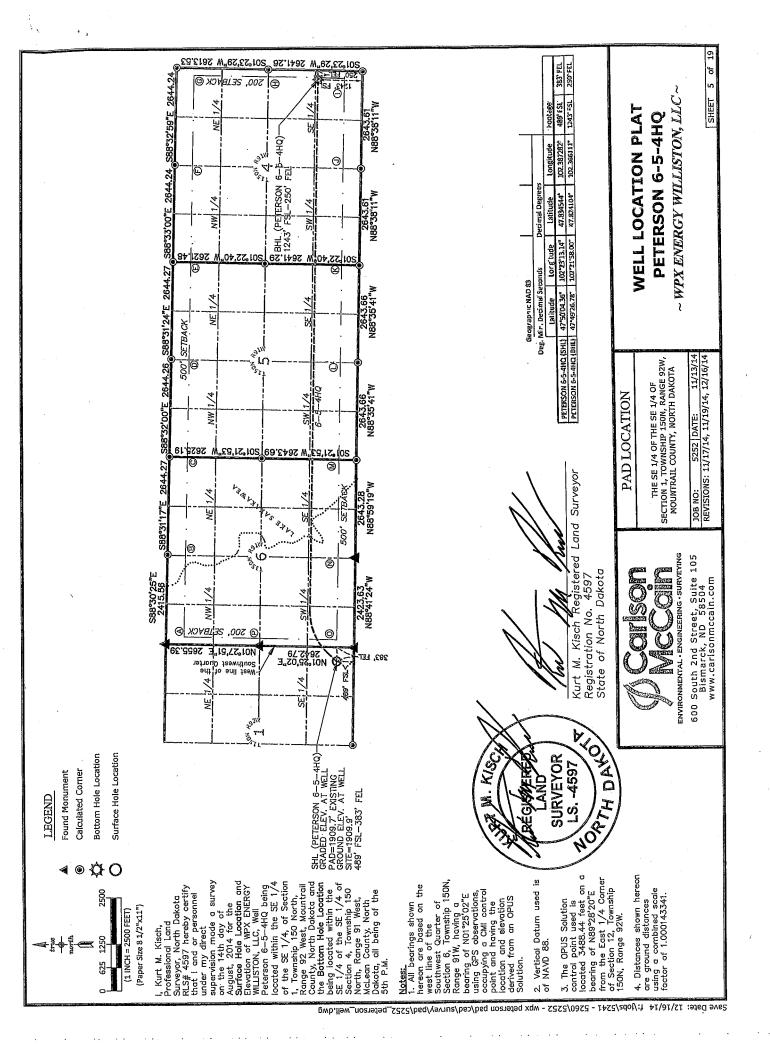
Elect not to participate in the drilling & completion of the Peterson 6-5-4HQ Well

Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND:

\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

By:

| Note | Not



		NERGY WILLISTON LLC AF	E#(WT4	2332-6	2425739). Well#: 62	Pendir	g Appro	val	Field: V	OH VAN	OK	
		ETERSON 6-5-4HQ E 1-150N-92W			County: N		RAIL		State: N		<u> </u>	
BHI · G	SESE S	EC 4 T150N R91W 1243 FSL 2	50 FEI.		SHL: SE						/L	
		REE FORKS	00166		Total Dep				Days:			
		: 08/20/2015			Type Cod				Desc:			
		1117676-2015 WILLISTON OP	ERATED		Aries ID:						TERSON	
Operat	or: WP	X ENERGY WILLISTON LLC			Asset Gro	oup: WIL	LISTON				Jackson, J	im
AFE		& complete a 1st bench Three	Forks well	with a T	MD of 25,6	33 feet	and laters	l length c	of 15,772	2 feet in	27	
		Tangible										
	r Goods		les at	Size	lWt.	Crodo	Conn	1\$/FT	ldr	11.1	COMP	TOTAL
8750		Line Item TDC-CONDUCTOR/DRIVE	Feet 80	Size	VV.	Grade	Cont	125	- 151	10000	0	10000
8/50		PIPE	00					1.20		10000		
8810		TDC-INTERMEDIATE	10493	7"	32#	P-110	LTC	17.6		184676	0	184676
0010	1.	CASING		ľ					- 1	·		
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3		30600	0	30600
		TCC-TIE BACK CASING						-		0	0	0
		STRING										
		TCC-TUBING &	10000	2-3/8"	4.7#	N-80	EUE	4.25		0	42500	42500
		ACCESSORIES		1	10.00	D 440	8RD			0	125459	125459
		TCC-PRODUCTION LINER	J	4-1/2"	[13.6#	P-110	JLIC			<u> </u>	125459	125459
	Equipm		r (DDU I IV	~					15000		ol	15000
8918		TDC-WELLHEAD EQUIPMENT						-∤	15000		26985	26985
0540		TCC-WELLHEAD EQUIPMENT	I (COMPLE	= HON)						<u> </u>		20903
		Offset Well Tangible										
		Γangìble ∋ Costs							240276		194944	435220
		Intangible								1		
	Costs) 117									
DRL.		Line Item				100		\Box	DRILL		COMP	TOTAL
8212	1	IDC-LUBRICANT AND FUEL E	XPENSES						220500		0	220500
8740		IDC-RIG MOB/DEMOBILIZATION							165000		0	165000
8760	1	IDC-RIG DAYWORK (DRILLIN							537300	·	0	537300
8862		IDC-RAT/MOUSE HOLE							8000		0	8000
8868	1	IDC- RENTAL EQUIP DOWNH	IOLE (DRII	LING)					40500	-	0	40500
8869		IDC-RENTAL EQUIPMENT SU	RFACE (D	RILLING	3)				283500	1	0	283500
Ceme	nting								7000		ol .	7200
8400	<u>.</u>	IDC-SURFACE CEMENTING N		<u>s</u>					7393		0 0	7393
8781	<u> </u>	IDC-CENTRALIZERS & FLOAT							5000		0	5000 15733
8811	ļ	IDC=INTERMEDIATE CEMEN		IERIAL					15733 5000			5000
8891	 	IDC-SURFACE CEMENTING S		VICEC					7500			7500
8949	0704	IDC-INTERMEDIATE CEMENT		VICES					7300		13451	13451
		ICC-CENTRALIZERS & FLOAT ICC-PRODUCTION CASING C		G					<u>_</u>		29967	29967
Forma		eatment	LIVILIATION	<u> </u>								
I OITHA	8212	ICC-LUBRICANT AND FUEL E	XPENSES	· · · · · · · · · · · · · · · · · · ·				1	C	ol	115000	115000
		ICC-STIMULATION MATERIAL								<u> </u>	79524	79524
		ICC-FRAC WATER (MATERIA		,					C		9300	9300
	8708	ICC-STIMULATION SERVICES	S						(265284	2265284
	8787	ICC-FRAC WATER SERVICE/	COMPLET	ION							132500	132500
	8869	ICC-RENTAL EQUIP SURFAC	E (COMPL	ETIONS	3))	181485	181485
		ICC-TANK RENTAL (COMPLE									52600	52600
		ICC-WATER HAULING & DISE	POSAL						(<u> </u>	371166	371166
	al Servi			<u></u>					20250	<u> </u>	<u> </u>	20250
8070	1	IDC-TELECOMM SERVICES	TION					+	20250		<u>0</u>	20250 25000
8718	-	IDC-BHA & TUBULAR INSPEC	JIUN						51000	·	0	51000
8734 8742	+	IDC-CASING CREWS IDC-TRUCKING & HAULING (DBILLING				· · · · · ·		40000		0	40000
8743	1 -	IDC-WELLHEAD SERVICES (1	12000		0	12000
8757	_	IDC-VEELITEAD SERVICES (_	322976		ŏ	322976
8774	 	IDC-FACILITIES LABOR (DRII							40000		0	40000
8783	1	IDC-FLUID & CUTTING DISPO							100000		0	100000
8823	1	IDC-LIVING FACILITIES & SA							25650		0	25650
8885	1	IDC-SLIDS CNTL EQUIP & IN							91800		0	91800
8911		IDC-WATER HAULING (DRILL							40000	~	0	40000
	8299	ICC-FRAC WATER HAULING							(462715	462715
		ICC-HOT OIL UNIT/TANK HE/						_		2	45000	45000
L		ICC-BHA & TUBULAR INSPE								<u> </u>	0	205000
<u> </u>		ICC-COIL TUBING & SNUBBI								ol Ol	285000 14285	285000 14285
		ICC-CASED HOLE LOGGING	SERVICE	<u> </u>				-		<u>)</u>	68875	68875
		ICC-CASING CREWS ICC-COMPLETION RIG SERV	ICES					-		5	75600	75600
<u> </u>		ICC-PERFORATING SERVICE									269600	269600
-		ICC-RIG MOBIL/DEMOBILZA						1			10000	10000
-		ICC-RIG MOBILIDEMOBILIZA		ION							45000	45000
		ICC-WELLHEAD SERVICES (0	17750	17750
		ICC- FACILITIES LABOR								0	100000	100000
		ICC-LIVING FACILITIES & SA	NITATION							0	5662	5662
		ICC-FLOWBACK SERVICE								0	126800	12680
	8868	ICC-RENTAL EQUIPMENT - [DOMNHOL	.E						0	40000	4000
Mater	ials									<u> </u>		4500
8216		IDC-MISC MATERIALS & SUF	PPLIES (DI	RILLING)				1500		0	1500
8732		IDC-BITS							10500		0	105000
8758		IDC-DRILL FLUIDS CHEMICA	NLS					1 .	10000	νı	vi	1,0000

	Γ"	IDC-WATER	10.1111.7-7		20000	0	20000
8910	8846	ICC-PACKER	S & PLUGS		0	248016	248016
		ICC-WATER			0	499200	499200
Acces		on and Cleanu	in .				
8252	1	IDC-CULTUR	AL/PALEO - SERVIC	ES	70000	0	70000
8631		IDC-TRIBAL V			100000	0	100000
8730		IDC-ACCESS	LOC CONSTRUCTION	ON SERVICE	80000	0	80000
8772		IDC-ENVIRO	NMENTAL MITIGATIO	ON	30000	0	30000
8791		IDC-PERMIT	S, SURVEYS, MAPPI	NG	40000	0	40000
8875	 	IDC-ACCESS	LOCATION CONST	RUCTION MATERIALS	5000	0	5000
8877		IDC-ROW US	SE AGREEMENT		25000	0	25000
8899	-		G TITLE OPINION-AE	30000	. 0	30000	
	8240		ATION/RESEEDING		0	1667	1667
			ATION/RESEEDING		O	10000	10000
			& LOCATION (COM		0	20000	20000
	8875	ICC-ACCESS	LOCATION CONSTI	RUCTION MATERIALS	0	30000	30000
Contra	ct Sup	ervision/Contra	act Professional Service	ces etc.			
8753	1	IDC-CONTRA	ACT GEOLOGY		35000	0	35000
8790	-	IDC-CONTIN			350000	0	350000
8917			TE SUPERVISION (D	RILLING)	127575	0	127575
	12200				0	200000	000000
	18790	HCC-CON HN	GENCY		<u> </u>		200000
		ICC-CONTIN				136650	136650
8310	8917	ICC-WELLSI	TE SUPERVISION				
8310 Offset	8917 8410	ICC-WELLSI Offset Well In	TE SUPERVISION		0	136650	136650
Offset	8917 8410 Well Ir	ICC-WELLSI Offset Well In tangible	TE SUPERVISION				136650
Offset Total I	8917 8410 Well Ir ntangib	ICC-WELLSI Offset Well In tangible le Costs	TE SUPERVISION		0	136650	
Offset Total I Well C	8917 8410 Well Ir ntangib Connect	ICC-WELLSI Offset Well In tangible le Costs	TE SUPERVISION		3196677	136650 5962097	136650 9158774
Offset Total I Well C Total I	8917 8410 Well Ir ntangib Connect Well Co	ICC-WELLSI Offset Well In tangible le Costs	TE SUPERVISION		3196677	136650 5962097	136650 9158774
Offset Total I Well C Total I	8917 8410 Well In Intangib Connect Well Co Cost	ICC-WELLSI Offset Well Intangible le Costs onnect Costs	TE SUPERVISION Itangible		3196677	136650 5962097	9158774 0 9593994
Offset Total I Well C Total I Total O Worki	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter	ICC-WELLSI Offset Well In stangible sle Costs connect Costs	TE SUPERVISION Itangible		3196677	136650 5962097	9158774 0 9593994 Cost Share
Offset Total I Well C Total I Total I Worki Worki	8917 8410 Well In ntangib Connect Well Co Cost ng Inter	ICC-WELLSI Offset Well In Itangible Die Costs Dinnect Costs Description	TE SUPERVISION tangible		0 3196677 0 3436953	136650 5962097 0 6157041	9158774 0 9593994
Offset Total I Well C Total I Total I Worki Worki WPX	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ng Inter	ICC-WELLSI Offset Well In stangible sle Costs connect Costs	TE SUPERVISION tangible		0 3196677 0 3436953	136650 5962097 0 6157041 Decimal	9158774 0 9593994 Cost Share
Offset Total I Well C Total I Total I Worki Worki WPX Totals	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ing Inter	ICC-WELLSI Offset Well In Itangible Die Costs Dinnect Costs Description	TE SUPERVISION tangible		3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki Worki WPX Totals Appro	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ENERG	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION Itangible		3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki WPX Totals Appro Date:	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ing Inter	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION tangible		3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki WORKI WPX Totals Appro Date: Date:	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ENERG	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION Itangible	Therese Smith	3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 (9593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki WPX Totals Appro Date: Date: Date:	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ENERG	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION Itangible	Therese Smith Jim Jackson	3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki WPX Totals Appro Date: Date: Date: Date:	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ENERG	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION Itangible	Therese Smith Jim Jackson Thomas Hellman	3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994
Offset Total I Well C Total I Total I Worki Worki WPX Totals Appro Date: Date: Date:	8917 8410 Well Ir ntangib Connect Well Co Cost ng Inter ENERG	ICC-WELLSI Offset Well Intrangible Ille Costs Innect Costs est est Owner SY WILLISTON	TE SUPERVISION Itangible	Therese Smith Jim Jackson Thomas Hellman Brian Wold	3196677 0 3436953	136650 5962097 0 6157041 Decimal 1.00000000	9158774 91593994 Cost Share 9593994

August 24, 2015

Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks 490 North Meridian Road Kalispell, MN 59901

Re:

Peterson 6-5-4HC Well Proposal Sections 4, 5 and 6, T150N-R91W McLean County, North Dakota

Benjamin-J.-Larson: アムネ



WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HC well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HC well has been planned as a horizontal Bakken Pool test with an approximate surface location at 539' FSL and 383' FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 1936' FSL, and 250' FEL in the NE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HC well is \$3,729,018 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,886,059. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HC well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$61,300

Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5 and 6, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HC well currently has an anticipated spud date of October 13, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HC well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HC well is scheduled to be batch drilled with the Peterson 6-5-4HQ, Peterson 6-5-4HD, Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC

Geoffrey M. Pool Landman, Bakken

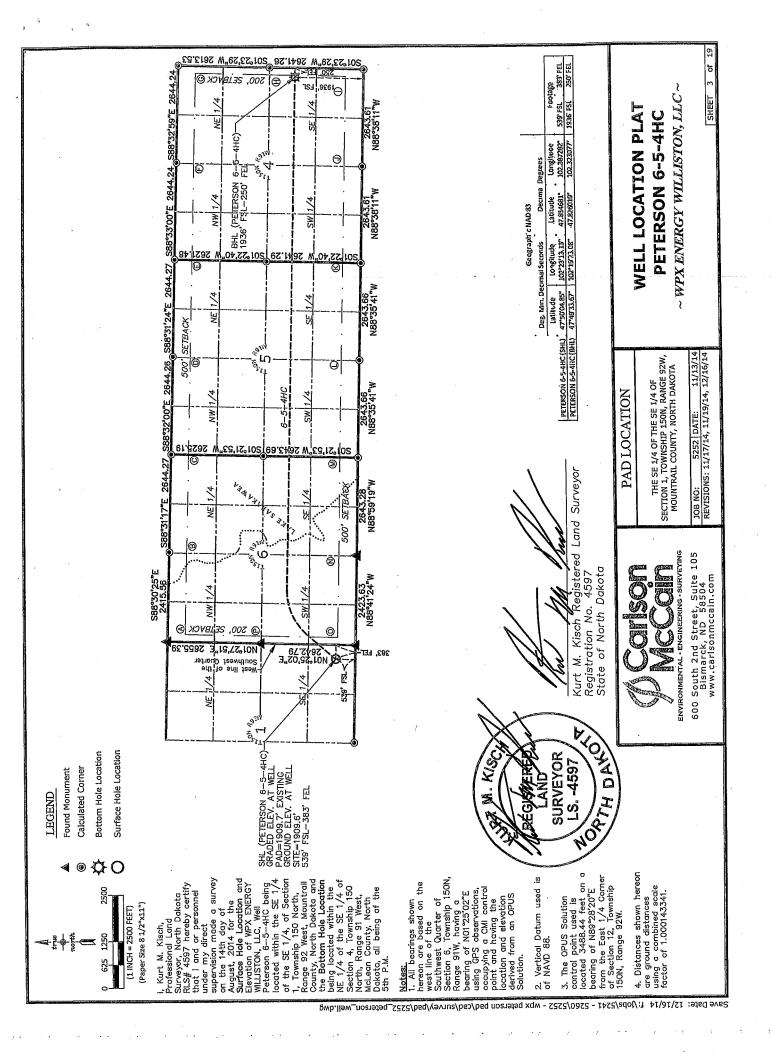
Enclosures: (2)

Phone:

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

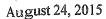
406-444-3843

B	Elect to participate in the drilling & completion of the Peterson 6-5-4HC Well Elect not to participate in the drilling & completion of the Peterson 6-5-4HC Well Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND: \$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)	ole
By: Title:	Monte & Massan Minerals Management Bureau Chief	
Date: Email:	9/17/2015	



		NERGY WILLISTON LLC AF ETERSON 6-5-4HC	E# (VV 14	12319-02	Well#: 62	425743		vai	Field: V		OK	
Locatio	n: SES	E 1-150N-92W			County: N			5001115	State: N			
		EC 4-T150N R91W 1936 FSL 2	250 FEL		SHL: SE		1 T150N	R92VV 5	Davs:	383 FEL		
	ion: BA	08/20/2015			Type Cod		Iopment		Days.			
Budget	Mo: FP	1117676-2015 WILLISTON OF	ERATED		Aries ID:	0. 00.0	iopino.ii			me: PE	TERSON I	PAD
Operati	or MP	CENERGY WILLISTON LLC			Asset Gro	oup: WIL	LISTON				Jackson, J	im
AFE	Dril	& complete a Middle Bakken w	ell with a T	MD of 2	5,695 feet	and late	ral length	of 15,772	2 feet in	30 days	•	
		Tangible										
	Goods	Line Item	Feet	Size	Wt.	Grade	Conn]\$/FT	DR	ILL I	COMP	TOTAL
DRL 8750		TDC-CONDUCTOR/DRIVE	80	OIZE	771	10,000	1001111	125		10000	0	10000
0130		PIPE	"									
8810		TDC-INTERMEDIATE	10556	7"	32#	P-110	LTC	17.6		85785	0	185785
		CASING				1	1.70	145.0		20600		30600
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3		30600	0	
		TCC-TIE BACK CASING STRING								ĭ	·	
		TCC-TUBING &	10000	2-3/8"	4.7#	N-80	EUE	4.25		0	42500	42500
	0902	ACCESSORIES	1.0000	5/5			8RD]		
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC			0	125459	125459
Other	Equipm	ent						حصم	45000			45000
8918		TDC-WELLHEAD EQUIPMEN	T (DRILLIN	IG)		·			15000 0		26985	15000 26985
		TCC-WELLHEAD EQUIPMEN	I (COMPL	ETION)						<u> </u>	20800]	20000
		Offset Well Tangible Fangible										
	vveii - rangible								241385	1	94944	436329
		Intangible	*************									
Drilling	Costs										A01151	
DRL		Line Item						1	DRILL	Contract Contract	COMP	TOTAL 220500
8212		IDC-LUBRICANT AND FUEL F		<u> </u>				-	220500 330000		<u> </u>	330000
8740	ļ	IDC-RIG MOB/DEMOBILIZATI							597000			597000
8760 8862	 	IDC-RIG DAYWORK (DRILLIN IDC-RAT/MOUSE HOLE	io rio)					\dashv	8000			8000
8868	 	IDC-RENTAL EQUIP DOWN	OLE (DRI	LLING)					45000		0	45000
8869		IDC-RENTAL EQUIPMENT SU	JRFACE (E	RILLING	3)				315000		0	315000
Ceme	nting								<u> </u>	T		
8400	T.	IDC-SURFACE CEMENTING		.S					7393		0	7393
8781		IDC-CENTRALIZERS & FLOA							5000		0	5000 15733
8811	ļ	IDC=INTERMEDIATE CEMEN		TERIAL					15733 5000		0	5000
8891	 	IDC-SURFACE CEMENTING IDC-INTERMEDIATE CEMEN	TING SER	NICES				_	7500		0	7500
8949	8781	ICC-CENTRALIZERS & FLOA	T FOUIP	TVIOLO				_	C		13451	13451
	8857	ICC-PRODUCTION CASING	EMENTIN	IG					C		29967	29967
Forma	ation Tre	eatment										
	8212	ICC-LUBRICANT AND FUEL I	XPENSES	3							115000	115000
	8402	ICC-STIMULATION MATERIA	LS (MATE	RIALS)					<u>C</u>		79524 9300	79524 9300
<u> </u>	8403	ICC-FRAC WATER (MATERIA	ALS)								265284	2265284
	8787	ICC-STIMULATION SERVICE ICC-FRAC WATER SERVICE	COMPLET	TION							132500	132500
<u> </u>	8869	ICC-RENTAL EQUIP SURFACE	E (COMP	LETIONS	3))	181485	181485
—		ICC-TANK RENTAL (COMPLE	-TION								52600	52600
		ICC-WATER HAULING & DIS								:ار	371166	371166
	al Servi		<u> </u>		<u> </u>				00500	á	<u> </u>	22500
8070		IDC-TELECOMM SERVICES	OTION						22500		0	22500 25000
8718		IDC-BHA & TUBULAR INSPE	CHON						51000		0	51000
8734 8742	 	IDC-TRUCKING & HAULING	DRILLING	7					40000		Ö	40000
8743	+	IDC-WELLHEAD SERVICES	DRILLING	<u>, </u>					12000		0	12000
8757		IDC-DIRECTIONAL EQUIPME							323757		0	323757
8774		IDC-FACILITIES LABOR (DRI	LLING)						40000		0	40000
8783		IDC-FLUID & CUTTING DISP							100000		0	100000 28500
8823		IDC-LIVING FACILITIES & SA		<u> </u>				_	28500 102000		0	102000
8885		IDC-SLIDS CNTL EQUIP & IN						-	40000		0	40000
8911		ICC-FRAC WATER HAULING									462715	462715
\vdash	8703	ICC-HOT OIL UNIT/TANK HE	ATNG)	45000	45000
—	8718	ICC-BHA & TUBULAR INSPE	CTION)	0	(
	8728	ICC-COIL TUBING & SNUBB	NG								285000	285000
		ICC-CASED HOLE LOGGING	SERVICE	:S))	14285 68875	14285 68875
<u> </u>		ICC-CASING CREWS	/ICES))	75600	75600
-		ICC-COMPLETION RIG SERVICE PERFORATING SERVICE					 -	_			269600	269600
		ICC-RIG MOBIL/DEMOBILZA								0	10000	10000
	8742	ICC-TRUCKING & HAULING	(COMPLE	TION)						0	45000	45000
	8743	ICC-WELLHEAD SERVICES	(COMPLE	TION)						0	17750	17750
	8774	ICC- FACILITIES LABOR									100000	10000
	8823	3 ICC-LIVING FACILITIES & SANITATION								0 0	5662 126800	5662 12680
	18843	ICC-FLOWBACK SERVICE ICC-RENTAL EQUIPMENT -	+		0	40000	4000					
												
Mata	8868	ICC-RENTAL EQUIT MILITY -					1.5	1			and the second	
Mate 8216	8868 rials)				1500		0	
Mate 8216 8732	8868 rials	IDC-MISC MATERIALS & SU IDC-BITS IDC-DRILL FLUIDS CHEMIC.	PPLIES (D)				1500 10500 10000	0	0 0 0	1500 10500 10000

3910		IDC-WATER			20000	0	20000
70 10	8846	ICC-PACKERS & F	PLUGS		0	248016	248016
		ICC-WATER			0	499200	499200
Annes		on and Cleanup					
3252	LOGGE	IDC-CULTURAL/P.	ALEO - SERVICI	ES	70000	0	70000
3631		IDC-TRIBAL WELL			100000	0	100000
3730		IDC-ACCESS/LOC	CONSTRUCTION	ON SERVICE	80000	0	80000
3772		IDC-ENVIRONMEN	NTAL MITIGATIO	DN .	30000	0	30000
3791		IDC-PERMITS, SU	IRVEYS, MAPPI	NG	40000	0	40000
3875	-	IDC-ACCESS LOC	ATION CONST	RUCTION MATERIALS	5000	0	5000
3877		IDC-ROW USE AC	REEMENT		25000	0	25000
3899	-	IDC-DRILLING TIT	LE OPINION-AB	STRACT	30000	. 0	30000
3033	8240	ICC-RECLAMATIC	N/RESEEDING	- MATERIALS	0	1667	1667
	8260	ICC-RECLAMATIC	N/RESEEDING	- SERVICES	0	10000	10000
8730 ICC-ACCESS & LOCATION			OCATION (COM	PLETION)	0	20000	20000
	8875	ICC-ACCESS LOC	CATION CONSTR	RUCTION MATERIALS	0	30000	30000
Contro	oct Sun	ervision/Contract Pr	ofessional Service	ces etc.	Special and the		
8753	T	IDC-CONTRACT	GEOLOGY		35000	0	35000
8790		IDC-CONTINGEN	CY		350000	0	350000
8917	 	IDC-WELLSITE S		RILLING)	141750	0	141750
0311				<u> </u>	0	200000	000000
	lazan	LICC-CONTINGEN	CY		U	∠00000[
		ICC-CONTINGEN			0	136650	
8310	8917	ICC-WELLSITE S	UPERVISION				
	8917 8410	ICC-WELLSITE S Offset Well Intang	UPERVISION			136650	136650
Offset	8917 8410 Well Ir	ICC-WELLSITE S Offset Well Intang stangible	UPERVISION				136650
Offset Total	8917 8410 Well Ir ntangik	ICC-WELLSITE S Offset Well Intang tangible ble Costs	UPERVISION		o o	136650	136650
Offset Total Well 0	8917 8410 Well Ir ntangik Connec	ICC-WELLSITE S Offset Well Intang stangible ole Costs	UPERVISION		o o	136650 5962097	136650
Offset Total Well 0 Total	8917 8410 Well Ir ntangik Connec Well Co	ICC-WELLSITE S Offset Well Intang tangible ble Costs	UPERVISION		3487633	136650 5962097	136650 9449730
Offset Total Well (Total) Total	8917 8410 Well Ir ntangik Connec Well Co Cost	ICC-WELLSITE S Offset Well Intang ntangible ole Costs tonnect Costs	UPERVISION		3487633	136650 5962097	9449730 (9886059
Total Well (Total Total Worki	8917 8410 Well Ir ntangib Connec Well Co Cost ng Inter	ICC-WELLSITE S Offset Well Intang ntangible ole Costs tonnect Costs	UPERVISION		3487633	136650 5962097	200000 136650 9449730 (9886059
Offset Total Well (Total Total Worki	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter	ICC-WELLSITE S Offset Well Intang Itangible Ille Costs Itannect Costs rest rest Owner	UPERVISION ible		3487633	136650 5962097 0 6157041	9449730 (9886059
Offset Total Well (Total Total Worki Worki	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC	ICC-WELLSITE S Offset Well Intang ntangible ole Costs tonnect Costs	UPERVISION ible		3487633	136650 5962097 0 6157041 Decimal	9449730 (9886059
Offset Total Well C Total Total Worki Worki WPX Totals	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ing Inter	ICC-WELLSITE S Offset Well Intang Itangible Ille Costs Itannect Costs rest rest Owner	UPERVISION ible		3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 (9886059 Cost Share 9886059
Offset Total Well C Total Total Worki Worki WPX Totals Appro	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC vers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest rest Owner GY WILLISTON LLC	UPERVISION ible		3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 (9886059 Cost Share 9886059
Offset Total Well (Total Total Worki Worki WPX Totals Appro Date:	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inte ng Inte ENERC ivers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest rest Owner GY WILLISTON LLC	UPERVISION ible	Therese Smith	3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 9886059 Cost Share 9886059
Offset Total Well C Total Total Worki Worki WOrki WPX Totals Appro Date: Date:	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC vers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest rest Owner GY WILLISTON LLC	UPERVISION ible	Therese Smith Jim Jackson	3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 9886050 Cost Share 9886050
Offset Total Well C Total Total Worki Worki WPX Totals Appro Date: Date:	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC vers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest rest Owner GY WILLISTON LLC	UPERVISION ible	Therese Smith Jim Jackson Thomas Hellman	3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 (9886059 Cost Share 9886059
Offset Total Vell C Total Vorki Worki Worki WPX Totals Appro Date: Date: Date: Date:	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC vers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest rest Owner GY WILLISTON LLC	UPERVISION ible	Therese Smith Jim Jackson Thomas Hellman Brian Wold	3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 9886059 Cost Share 9886059
Offset Total Well C Total Total Worki Worki WPX Totals Appro Date: Date:	8917 8410 Well Ir ntangik Connec Well Co Cost ng Inter ENERC vers	ICC-WELLSITE S Offset Well Intang Itangible Ole Costs It Innect Costs rest Frest Owner SY WILLISTON LLC //2015 Pre	UPERVISION ible	Therese Smith Jim Jackson Thomas Hellman	3487633	136650 5962097 01 6157041 Decimal 1.00000000	9449730 9886050 Cost Share 9886050



Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks 490 North Meridian Road Kalispell, MN 59901

Re:

Peterson 6-5-4HZL well Proposal

Sections 4, 5, 6, 7, 8, and 9, T150N-R91W

Mountrail County, North Dakota

Benjamin J. Larson: Fw P



WPX Energy Williston, LLC
Geoff Pool, Landman
geoff pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5, 6, 7, 8, and 9, T150N-R91W, Mountrail County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HZL well. Sections 4, 5, 6, 7, 8, and 9 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HZL well has been planned as a horizontal Three Forks Pool test with an approximate surface location at 389° FSL and 383° FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 0° FSL, and 250° FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.309450% Working Interest) in Sections 4, 5, 6, 7, 8, and 9. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HZL well is \$3,290,356 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,447,397. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HZL well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$29,235

Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5, 6, 7, 8, and 9, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HZL well currently has an anticipated spud date of October 19, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5, 6, 7, 8, and 9 and elect to participate in the Peterson 6-5-4HZL well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HZL well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HQ, Peterson 6-5-4HD.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at Geoff.Pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC

Geoffrey M. Pool Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

Elect to participate in the drilling & completion of the Peterson 6-5-4HZL Well

Elect not to participate in the drilling & completion of the Peterson 6-5-4HZL Well

Elect to lease your minerals in Sections 4, 5, 6, 7, 8, and 9, T150N-R91W, Mountrail County, ND:

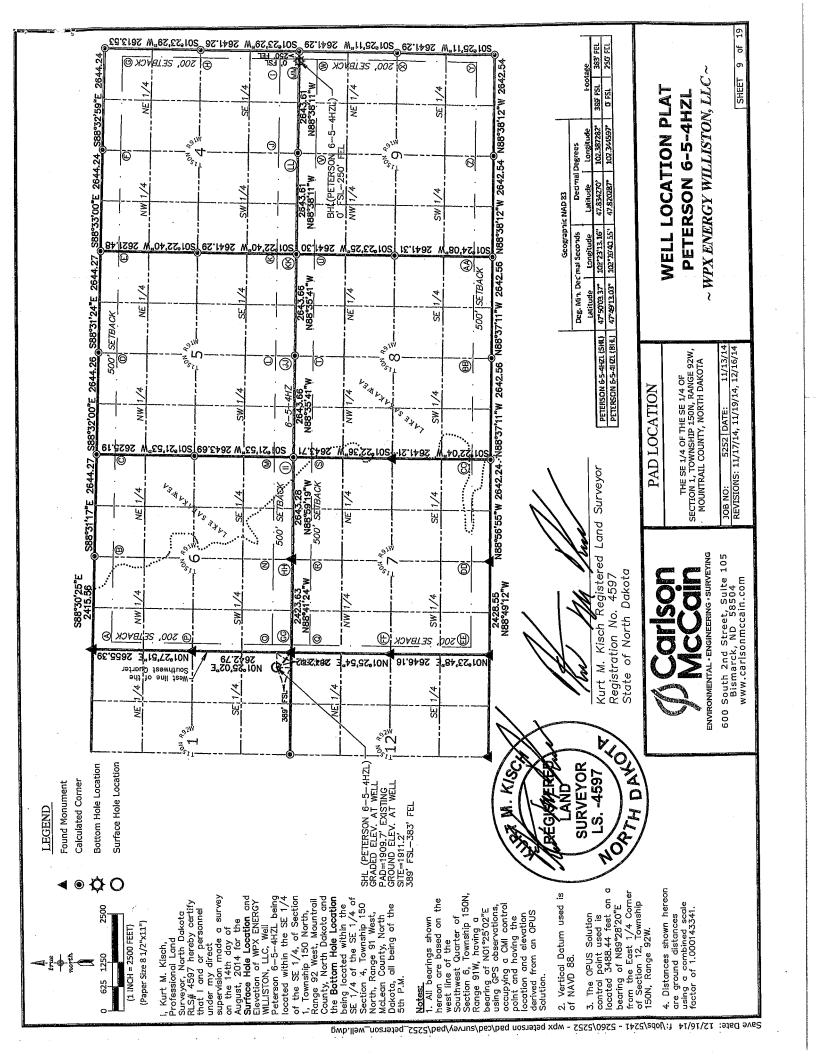
\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

By:

Nonte & Masser Country (example provide herein)

Title: Minerals Management Bureau Chief, MT-DORC
Date: 9/17/2015

Email: <u>mmason@mt.gov</u>
Phone: 406-444-3843



ell Na	me: PE	NERGY WILLISTON LLC A TERSON 6-5-4HZL	<u> </u>	2001 02	Well#: 624	125/3/			Field: V		OK	
ocatio	n: SES	E 1-150N-92W			County: MOUNTRAIL SHL: SESE SEC 1 T150N R92W 3				State: ND			
		EC 4 T150N R91W			Total Dep				39 FSL 3	83 FEI		 _
		REE FORKS			Type Cod			-	Days: Desc:			
nquet	No FP	08/20/2015 1117676-2015 WILLISTON O	PERATED		Aries ID:	2010				me: PE	TERSON PA	۸D
&C (3	(770											
perat	or: M/D	(ENERGY WILLISTON LLC			Asset Gro	up: WIL	LISTON		Proj Ma	nager:	Jackson, Jin	1
FE		& complete a 1st bench Three	Forks well	with a TI	MD of 25,5	83 feet a	and latera	ıl lengtn o	115,772	reet in	25.5	
esc:	day	s. Tangible		- 7		7,75 = - %		A 1 14 11	63.UE	That I		7 7 7
	r Goods											
	CMP	Line item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRI		COMP T	10000
750		TDC-CONDUCTOR/DRIVE	80	-	,			125		10000	ı V	10000
040		PIPE TDC-INTERMEDIATE	10443	7"	32#	P-110	LTC	17.6	1	83796	0	183796
810		CASING	1,0440	1								
889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3	_	30600	0	30600
	8232	TCC-TIE BACK CASING							ļ	0		,
	0000	STRING	10000	2-3/8"	4.7#	N-80	EUE	4.25		0	42500	4250
	8902	TCC-TUBING & ACCESSORIES	10000	2-5/0	7.11		8RD		ļ			
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC			0	125459	12545
Other	Equipm	ent							45000		ol	1500
918		TDC-WELLHEAD EQUIPMEN	T (DRILLIN	IG)			•-		15000 0		26985	2698
540	8918	TCC-WELLHEAD EQUIPMEN Offset Well Tangible	II (COMPLI	ETION)			4. 14. 4		0		20000	
		Fangible			W. C.							
Total 1	Fangible	Costs							239396		194944	43434
3300	8400	Intangible					وسلم ممسلك				+	
	Costs							-1	DRILL		COMP	TOTA
DRL_ 3212	ICMP	Line Item IDC-LUBRICANT AND FUEL	EXPENSES	<u> </u>					220500		0	22050
3740	-	IDC-RIG MOB/DEMOBILIZAT	ION						82500		0	8250
3760		IDC-RIG DAYWORK (DRILLI	NG RIG)						507450		0	50745
3862		IDC-RAT/MOUSE HOLE		· · · · · · · ·			-	-	8000 38250		0	800 3825
8868	ļ	IDC- RENTAL EQUIP DOWN IDC-RENTAL EQUIPMENT S	HOLE (DRII	LLING)	21		-		267750		0	26775
8869	nting	JIDC-RENTAL EQUIPMENT S	UKFACE (L	KILLING	3)		 					
Ceme 8400	Timy	IDC-SURFACE CEMENTING	MATERIAL	S					7393		0	739
8781		IDC-CENTRALIZERS & FLOA	AT EQUIP						5000		0	500
8811		IDC=INTERMEDIATE CEME	NTING - MA	TERIAL					15733 5000		0	1573 500
8891		IDC-SURFACE CEMENTING IDC-INTERMEDIATE CEMEN	SERVICE	NICES					7500		0	750
8949	0701	ICC-CENTRALIZERS & FLO	T FOLIP	TVICES					0		13451	1345
	8857	ICC-PRODUCTION CASING	CEMENTIN	IG	-				0		29967	2990
Forma	ation Tr	eatment	No. 10 July 3							1	445000	4450
	8212	ICC-LUBRICANT AND FUEL	EXPENSES	5				<u> </u>	. 0		115000 79524	11500 795
		ICC-STIMULATION MATERIA		RIALS)					0		9300	93
		ICC-FRAC WATER (MATER)							Ö		265284	22652
	8787	ICC-FRAC WATER SERVICE	/COMPLET	TION					0		132500	1325
	8869	ICC-RENTAL EQUIP SURFA	CE (COMP)	LETIONS	S)				0		181485	1814
	8870	ICC-TANK RENTAL (COMPL	ETION)						0		52600 371166	526 3711
		ICC-WATER HAULING & DIS	SPOSAL				1 77 -			4	37 [100]	3711
Speci 8070	ial Serv	IDC-TELECOMM SERVICES							19125	5	0	191
8718		IDC-BHA & TUBULAR INSPI	CTION						25000		0	250
8734		IDC-CASING CREWS							51000		0	510 400
8742		IDC-TRUCKING & HAULING	(DRILLING	<u>)</u>					40000 12000		0	120
8743		IDC-WELLHEAD SERVICES IDC-DIRECTIONAL EQUIPM							322346		0	3223
8757 8774		IDC-FACILITIES LABOR (DE	(ILLING)						40000		0	400
8783		IDC-FLUID & CUTTING DIS	POSAL						100000		0	1000
8823		IDC-LIVING FACILITIES & S	ANITATION						24225		0	242
8885		IDC-SLIDS CNTL EQUIP & I	NSTALL			·			86700 40000		0	867 400
8911		IDC-WATER HAULING (DRI	LLING)					-	40000		462715	4627
	8703	ICC-HOT OIL UNIT/TANK H	EATNG		_						45000	450
	8718	ICC-BHA & TUBULAR INSP	ECTION							_	0	
	8728	ICC-COIL TUBING & SNUBI	BING								285000 14285	2850 142
<u> </u>	8733	ICC-CASED HOLE LOGGIN	G SERVICE	:8					(68875	688
	8/34	ICC-CASING CREWS ICC-COMPLETION RIG SER	RVICES							_	75600	756
	8738	ICC-PERFORATING SERVI	CES			 			()	269600	2696
 	8740	ICC-RIG MOBIL/DEMOBILZ	ATN						(10000	100
	8742	ICC-TRUCKING & HAULING	(COMPLE	TION)				<u>_</u> -}		<u>) </u>	45000 17750	450 177
	8743	ICC-WELLHEAD SERVICES	(COMPLE	TION)	-						100000	1000
<u> </u>	8774	ICC-FACILITIES LABOR	ANITATION	<u></u>						0	5662	56
	8843	ICC-FLOWBACK SERVICE	, uu 17/1101	•					(0	126800	1268
			- DOWNHO	LE						0	40000	400
<u> </u>	8868	HOO-IVENTIVE EGON MENT										

8732		IDC-BITS			105000	0	105000
8758			LUIDS CHEMICALS		100000	0	100000
8910		IDC-WATER		<u> </u>	20000	0	20000
		ICC-PACKER			0	248016	248016
		ICC-WATER			0	499200	499200
		ion and Clean					
8252	Local	IDC-CULTUE	RAL/PALEO - SERVICE	S	70000	0	70000
8631			WELL FEES		100000	0	100000
8730			S/LOC CONSTRUCTION	N SERVICE	80000	0	80000
8772			NMENTAL MITIGATIC		30000	0	30000
8791			S, SURVEYS, MAPPIN		40000	0	40000
8875		IDC-ACCES	S LOCATION CONSTR	RUCTION MATERIALS	5000	0	5000
8877		IDC-ROW U	SE AGREEMENT		25000	. 0	25000
8899		IDC-DRILLIN	IG TITLE OPINION-AB	STRACT	30000	0	30000
0000	8240	ICC-RECLA	MATION/RESEEDING	- MATERIALS	o	1667	1667
	8260	ICC-RECLA	MATION/RESEEDING	SERVICES	0	10000	10000
·	9730	ICC-ACCES	S & LOCATION (COMP	PLETION)	0	20000	20000
	8875	ICC-ACCES	S LOCATION CONSTR	RUCTION MATERIALS	0	30000	30000
Contra	ct Sun	ervision/Contr	act Professional Service	es etc.			
8753	T Sup		ACT GEOLOGY		35000	0	35000
8790	 	IDC-CONTIN			350000	0	350000
8917	-		ITE SUPERVISION (DI	RILLING)	120488	0	120488
0917	8700	ICC-CONTIN		11221110/	O O	200000	200000
			ITE SUPERVISION		0	136650	136650
8310		Offset Well I					
		ntangible	mangiolo				
		ole Costs			3050960	5962097	9013057
	Connect						
		onnect Costs			0	0	(
Total		Similar Costs			3290356	6157041	944739
	ng Inter	roet					
		rest Owner		The second secon		Decimal	Cost Share
		BY WILLISTO	NUC			1.00000000	944739
Totals		31 WILLIOTO				1.00000000	944739
Appro							
Date:	08/20	/2015	Prepared By:	Therese Smith			
Date:	00/20	12010	i Toparoa Dy.	Jim Jackson			
Date:	+			Thomas Hellman			
Date:	+			Brian Wold			
Date:	+			Clay Gaspar			
Date:	+		Partners Approval:	July Cuopai			
			ir aitiicis Augioval.				